

ORIGINAL

***Application of SCANA Communications, Inc.  
for an Amendment of its Certificate of Public  
Convenience and Necessity so as to provide  
any and all intrastate Local Exchange,  
Exchange Access, and Interexchange  
telecommunications services within the  
State of SC on a resold and facilities basis.***

***Docket No. 2000-536-C***

PAID  
2/1/01  
pao



***Testimony of  
James M. McDaniel  
Utilities Department***

***Public Service Commission of South Carolina***

1 **Q. MR. MCDANIEL, WOULD YOU PLEASE STATE YOUR NAME, BUSINESS**  
2 **ADDRESS AND OCCUPATION?**

3 A. James M. McDaniel, 101 Executive Center Drive, Columbia, South Carolina. I am  
4 employed by the Public Service Commission of South Carolina (Commission). I  
5 hold the position of Chief of the Telecommunications area which is part of the  
6 Utilities Department.

7  
8 **Q. WOULD YOU PLEASE STATE YOUR EDUCATIONAL BACKGROUND**  
9 **AND YOUR BUSINESS EXPERIENCE?**

10 A. I received a Bachelor of Science Degree in Engineering from the University of South  
11 Carolina in December of 1975. I was employed by the Public Service Commission  
12 of South Carolina in February of 1976, where I have always worked in the Utilities  
13 Department. My specific assignments have been in the area of regulation of the  
14 telecommunications industry.

15  
16 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

17 A. Yes. During my tenure with the Commission, I have offered testimony in  
18 proceedings concerning ratemaking, rate design, depreciation, rulemaking, and  
19 complaints.

20  
21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS MATTER?**

22 A. The purpose of my testimony is to present to the Commission the findings of the  
23 Utilities Department with respect to Staff's review of the Application of SCANA  
24 Communications, Inc. to amend its Certificate of Public Convenience and Necessity  
25 so as to provide intrastate local exchange, exchange access, and interexchange  
26 telecommunications services and relaxed regulation of these services, and to modify  
27 the limitation concerning the provision of private line and special access services.

28  
29 **Q. WOULD YOU PLEASE PROVIDE A SUMMARY OF YOUR FINDINGS?**

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Public Service Commission of South Carolina  
101 Executive Center Drive, Columbia, SC 29210  
Post Office Box 11649, Columbia, SC 29211

01/22/2001

1 A. Attached to my testimony is a Summary of the Utilities Department's Review. This  
2 summary has been designated Exhibit JMM 1. The Summary contains General  
3 Information about SCANA Communications, Inc. and its Application to amend its  
4 Certificate for a Certificate of Public Convenience and Necessity. Staff's review of  
5 this Application included an analysis of the Applicant's Illustrative Local and  
6 Interexchange Tariffs. The Company's proposed tariffs were submitted as part of  
7 the Company's Application. The purpose of Staff's tariff review was to determine if  
8 the Applicant's proposed tariff complied with the Commission's Regulations,  
9 Policies, and Orders. Exhibit JMM 1 includes various comments and recommended  
10 modifications to the proposed tariffs. Staff's recommended changes address the  
11 Rules and Regulations section of the Applicant's proposed tariffs. Staff comments  
12 are principally of a clarifying nature.

13  
14 **Q. DO YOU HAVE ANY GENERAL COMMENTS CONCERNING THIS**  
15 **APPLICATION?**

16 A. SCANA Communications, Inc. (SCI, Applicant, or Company) is a Corporation  
17 organized and existing under the laws of the State of South Carolina. The Applicant  
18 is a wholly owned subsidiary of SCANA Corporation, which is also a South  
19 Carolina Corporation. The Office of the Secretary of State of South Carolina issued  
20 a Certificate of Existence on April 12, 2000.

21  
22 SCANA Communications, Inc. holds a Certificate of Public Convenience and  
23 Necessity authorizing it to provide intrastate non-switched point-to-point  
24 telecommunications services as a "carrier's carrier" within the state and to provide  
25 Private Line and Special Access Services within the service areas of BellSouth  
26 Telecommunications, Inc. This authority was granted by Order No. 95-451, dated  
27 July 5, 1996. According to the Application, SCI owns and operates 730 miles of  
28 fiber optic telecommunications facilities in the state.

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28 fiber optic telecommunications facilities in the state.

Through this Application, SCANA Communications seeks authority to provide resold and facilities-based local exchange and exchange access telecommunications services throughout the State of South Carolina. Although SCI proposes to provide local exchange and exchange access service within the entire state, the Applicant indicates that it is willing to abide by the conditions previously established by the Commission before a competitive local exchange carrier (CLEC) may provide such services within the service areas of rural incumbent Local Exchange Carriers (LEC's), including a thirty (30) days notice of its intent to provide local service within a rural incumbent LEC's service area.. The SCI initially proposes to provide high-speed data services using digital high-speed data services using digital subscriber line (DSL) technology.

Additionally, SCANA Communications seeks authority to provide resold and facilities-based interexchange telecommunications services throughout the State of South Carolina. SCI's Illustrative Interexchange Service Tariff indicates the Company intends to provide residential and business outbound long distance services.

With regard to SCI's existing authority, the Applicant seeks removal of the limitations in its Certificate which allows SCI to provide Private Line and Special Access Services only within the service area of BellSouth Telecommunications, Inc. The Applicant's proposed amendment would allow the Company to provide Private Line and Special Access Service throughout the State of South Carolina. Again, SCI states it will abide by the conditions for providing these services in the service areas of incumbent local exchange carriers as required for the provision of local exchange and exchange access within a rural LEC's service area.

Further, the Applicant also requests that the Commission regulate its local exchange and exchange services in accordance with the principles and procedures established

1 for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. With regard to  
2 its interexchange services, the Applicant requests that the Commission regulate its  
3 interexchange services consistent with the principles and procedure established for  
4 alternative regulations in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

5  
6 **Q. DO YOU HAVE COMMENTS CONCERNING THE APPLICANT'S**  
7 **REQUEST FOR RELAXED REGULATIONS?**

8 A. SCANA Communications' Flexible and Alternative Regulation proposals are  
9 consistent the regulatory principal and procedures authorized for use by many other  
10 competitive local exchange and interexchange carriers operating within South  
11 Carolina. These relaxed regulatory plans contain presumed valid provisions which  
12 allow the Company to modify its prices to meet competitive pressures in the local  
13 and long distance markets in South Carolina. As part of this relaxed regulatory  
14 scheme, the Commission has reserved the right to initiate an investigation of any  
15 proposed new rate or rate change.

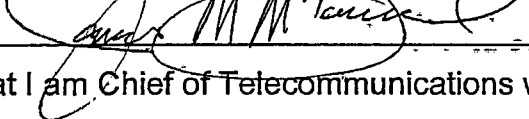
16  
17 **Q. HAS THE APPLICANT REQUESTED CERTAIN WAIVERS OF THE**  
18 **COMMISSION'S REGULATIONS AND REQUIREMENTS?**

19 A. No.

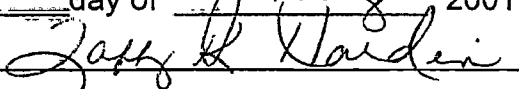
20  
21 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

22 A. Yes, it does.  
23

## VERIFICATION

I, , first being duly sworn upon oath, depose and say that I am Chief of Telecommunications with the Public Service Commission of South Carolina; that I have read the above and foregoing pre-filed Testimony and know the contents thereof; that said contents are true.

31<sup>st</sup> day of January, 2001



Notary Public for

My Commission Expires: 2/28/2010

**DOCKET NO. 2000-536-C**

Application of SCANA Communications, Inc. to Amend its Certificate of Public Convenience and Necessity so as to Provide for Intrastate Local Exchange, Exchange Access and Interexchange Telecommunications and for Flexible Regulations of those Services and so as to Modify the Limitation Concerning the Provision of Private Line and Special Access Service.

REVIEW OF THE UTILITIES DEPARTMENT

**GENERAL COMMENTS:**

SCANA Communications, Inc. (SCI, Applicant, or Company) is a corporation organized and existing under the laws of the State of South Carolina. The Applicant is a wholly owned subsidiary of SCANA Corporation, which is also a South Carolina Corporation. The Office of the Secretary of State of South Carolina issued a Certificate of Existence on April 12, 2000.

SCANA Communications, Inc. holds a Certificate of Public Convenience and Necessity authorizing it provide intrastate non-switched point-to-point telecommunications services as a "carrier's carrier" within the state and to provide Private Line and Special Access Services with the service areas of BellSouth Telecommunications, Inc. This authority was granted by Order No. 95-451, dated July 5, 1996. According to the Application, SCI owns and operates 730 miles of fiber optic telecommunications facilities in the State.

Through this Application, SCANA Communications seeks authority to provide resold and facilities-based local exchange and exchange access telecommunications services throughout the State of South Carolina. Although SCI proposes to provide local exchange and exchange access service within the entire state, the Applicant indicates that it is willing to abide the conditions previously established by the Commission before a competitive local exchange carrier (CLEC) may provide such services within the service areas of rural incumbent Local Exchange Carrier (LEC), including the thirty (30) days notice of its intent to provide local service within a rural incumbent LEC's service area. The SCI initially proposes to provide high-speed data services using digital high-speed data services using digital subscriber line (DSL) technology.

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The Applicant requests that the Commission regulate its local exchange and exchange services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. With regard to its interexchange services, the Applicant requests that the Commission regulate its interexchange services consistent with the principles and procedure established for alternative regulations in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

As part of the Application, SCI filed a proposed Illustrative Local Exchange Tariff and Price List and a proposed Illustrative Interexchange Tariff and Price List. The Utilities Department Review included a review of the Company's proposed tariff to ensure compliance with the Commission's Rules, Policies, and Orders. During this review, Staff recognized several exceptions for which it has made suggested changes. These exceptions are noted below:

#### ILLUSTRATIVE LOCAL EXCHANGE TARIFF:

1. Original Page 10- Rules and Regulations – Deposits – Paragraph 2.5 – This paragraph includes language indicating deposits will be collected in accordance with the Commission's Regulations. Staff recommends this paragraph include a specific reference to S.C. Reg. 103-621.
2. Original Page 13 – Rules and Regulations – Payment for Service- Paragraph 2.9.2 – This paragraph includes language which requires a customer to submit a written notification concerning a billing dispute. The Commission's Regulations allow consumers the ability to submit oral complaints or disputes. Staff recommends modification of this language to allow the consumer to submit an oral billing dispute. Once a consumer submits a dispute, then the consumer should provide any documentation in support of the billing dispute. Additionally, within this paragraph the Company indicates it will make adjustments to the extent circumstances exist which reasonably indicate that changes are appropriate. Staff recommends the inclusion of language which indicates that an adjustment will be handle in accordance with the Commission Regulation – S.C. Reg. 103-623.
3. Original Page 14 – Rules and Regulations – Refusal or Discontinuance of Service by Company Paragraph 2.12. – This paragraph contains a listing of circumstancees which will cause the discontinuance of service. This listing is not exhaustive in comparison to the Commission Regulation S.C. 103-625. Staff recommends the inclusion of language indicating that the Company will comport with Discontinuance and Refusal of Service provisions contained in the Commission Rules and Regulations.
4. Original Page 16 – Rules and Regulations – Cost of Collection and Repair – This paragraph includes language which indicates the customer is responsible for any and all costs incurred in the collection of moneys due the Company including legal and accounting expenses. Staff recommends the inclusion of language to indicate that the customer is responsible for all reasonable cost incurred in the collection of moneys due the Company including reasonable legal and accounting expense.
5. Original Page 17 – Rules and Regulations – Late Payment Charges – Paragraph 2.20 – This paragraph states that the company will apply a late payment charge of 1.5% of unpaid balance

after 30 days per month. Staff recommends that the Company reference the Commission Regulation S.C. Reg. 103-622.2. Late Payment Charges.

6. Original Page 18 – Rules and Regulations – Promotions – Paragraph 2.22 – This paragraph appears to be a partial duplications of provisions contained in Paragraph 2.14 – Tests, Pilots, Promotional Campaigns, and Contests. Staff recommends a slight modification of Paragraph 2.14 to indicate that the Company would file promotions, tests, pilots and contest prior to implementation, then the removal of Paragraph 2.22.

#### ILLUSTRATIVE INTEREXCHANGE TARIFF:

1. Original Page 10- Rules and Regulations – Deposits – Paragraph 2.5 – This paragraph includes language indicating deposits will collected in accordance with the Commission Regulations. Staff recommends the paragraph include a specific reference to S.C. Reg. 103-621.
2. Original Page 13 – Rules and Regulations – Payment for Service Paragraph 2.9.2 – This paragraph includes language which requires a customer to submit a written notification concerning a billing dispute. The Commission's Regulations allow consumers the ability to submit oral complaints or disputes. Staff recommends modification of this language to allow the consumer to submit an oral billing dispute. Once a consumer submits a dispute, then the consumer should provide any documentation in support of the billing dispute. Additionally, within this paragraph the Company indicates it will make adjustments to the extent circumstances exist which reasonably indicate that changes are appropriate. Staff suggests the inclusion of language which indicates that adjustments will be handle in accordance with the Commission Regulation – S.C. Reg. 103-623.
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5. Original Page 17 – Rules and Regulations – Late Payment Charges – Paragraph 2.19 – This paragraph states that the Company will apply a late payment charge of 1.5% of unpaid balance after 30 days per month. Staff recommends that the Company reference the Commission Regulation S.C. Reg. 103-622.2. Late Payment Charges.
6. Original Page 18 – Rules and Regulations – Promotions – Paragraph 2.21 – This paragraph appears to be a partial duplications of provisions contained in Paragraph 2.14 – Tests, Pilots, Promotional Campaigns, and Contests. Staff suggests a slight modification of Paragraph 2.14 to indicate that the Company would file promotions, tests, pilots and contest with the Commission prior to implementation, then the removal of Paragraph 2.22.